

WASHINGTON- The United States House of Representatives voted early this morning on a Medicare bill which will provide unprecedented savings and benefits to the people of Alabama. “I am pleased that the Medicare bill was passed by the House of Representatives.

The old Medicare funding formula severely disadvantaged Alabamians.

The Alabama delegation was instrumental in negotiating a fair formula for the people of our state”, said Congressman Bachus.

The legislation gives every Medicare-eligible senior access to an affordable prescription drug benefit, with extra help to low-income seniors. In addition, seniors will receive immediate savings of 15 – 25 percent through a prescription drug discount card that will be available in 2004 and 2005, before the entire drug benefit begins in 2006.

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Alabama’s seniors have never had access to prescription drug benefits like they will have now due to these important changes in Medicare”, said Bachus.

The state currently has more than 720,462 Medicare beneficiaries who will benefit from the new legislation.

“The rural provisions in the House Medicare Conference Report will put more than \$738,000,000 back into the hands of Alabama health care providers- only Texas and Florida are receiving more than our state. In the 6th District of Alabama alone, the overall benefits to our health care providers will be close to \$54,000,000”, said Bachus.

Some benefits of the rural provisions include

creating incentive payments for physician scarce areas of the state, and increasing payments to low volume hospitals that are essential in rural areas.

Also included in the Bi-partisan Medicare Agreement was the establishment of Health Savings Accounts. “This bill gives seniors more control and choice in their healthcare decisions by

introducing tax free Health Savings Accounts”, said Congressman Bachus.

“These accounts allow individuals to set aside tax-free savings for lifetime health care needs.

The savings are portable, which means that they can be carried from year to year into retirement.”

Individuals, employers and family members can all make contributions to HSA's.

Savings can be used for qualified medical expenses, including retiree health insurance premiums, Medicare expenses, prescription drugs, long-term care services and insurance.